



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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December 5, 2007

To: Supervisor Yvonne B. Burke, Chairman  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

## **SACRAMENTO UPDATE**

The purpose of this memorandum is to report on County-sponsored legislation, budget issues, and legislative proposals, which our Sacramento advocates will continue to pursue, consistent with Board policies and positions in the second year of the 2007-08 Legislative Session.

### **Continued Pursuit of County Sponsorship Legislation**

The following eight proposals, which are consistent with Board action or prior sponsorship of similar legislation, constitute the initial list of proposals that will be pursued as County-sponsored bills. Other candidates for County sponsorship may emerge based on Board actions, further discussions with departments, or events in Sacramento. The subjects of these proposals include: 1) Hepatitis A vaccinations for certain food service workers; 2) Board option to reinstate firefighters from retirement; 3) flood control and water conservation liability protection; 4) enhanced services for emancipated foster youth; 5) special Adoptions Assistance Program payments to enhance adoption by Foster Family Agency providers; 6) authority for the County Flood Control District to levy a storm water fee consistent with the requirements of Proposition 218; 7) full reporting of all CD4 tests for AIDS consistent with the State's

migration to a names-based reporting system; and 8) the electronic filing of Statement of Economic Interests (Form 700). Each proposal for sponsorship is discussed below.

### **Hepatitis A Vaccinations for Food Services Workers**

We will pursue County-sponsored legislation to permit a local health officer to require Hepatitis A vaccinations for food service workers in restaurants, catering companies and in wholesale markets to protect the health of consumers.

The County is precluded from enacting an ordinance to require mandatory Hepatitis A vaccinations for food service workers. The Department of Public Health (DPH) indicates that the California Retail Food Code, which became effective on July 1, 2007, provides for the protection of public health from food-borne illnesses through mandatory reporting to the local public health officer rather than vaccination of food service workers. DPH supports legislation that would increase vaccination, encourage early recognition and timely reporting of Hepatitis A among food services workers. (Board Motion, May 15, 2007)

### **Reinstatement of Retired Firefighters**

We will pursue County-sponsored urgency legislation to allow firefighters to apply for reinstatement after retirement.

SB 134 (Cedillo), Chapter 290, Statutes of 2007, grants authority to the Board to allow County sworn Sheriff's employees and firefighters hired prior to April 1, 1997 to work beyond the age of 60. It also allows County sworn Sheriff's employees to apply for reinstatement after retirement, but this option is not open to firefighters, a situation which this proposed legislation will rectify. (Board Motion, November 14, 2006)

### **Flood Control and Water Conservation Liability Protection**

We will pursue County-sponsored legislation that provides liability protection for the Department of Public Works (DPW) in County lined and unlined channels and adjacent spreading grounds during flood control and water conservation operations.

DPW indicates that legislation is needed to provide liability protection for the department in their lined and unlined channels and adjacent spreading grounds during flood control and water conservation operations. County supported AB 2023 from 1998 provided conditional immunity from liability for DPW for injuries caused by the condition and use of the channels and spreading grounds during flood control and water conservation activities. Due to increased capacity for higher flow rates in the channels by outside agencies such as the Metropolitan Water District and sanitation districts, protection from increased liability is appropriate. County-sponsored AB 92 from 2001-02 was

a follow-up to AB 2023 and provided extended liability protection, but it expired in January 2007.

DPW indicates that Los Angeles County relies on the underground water supply for local water sustainability for the growing population. Flows from the State Water Project, Colorado River, and local watersheds are routed through the channels and captured at spreading grounds for local infiltration into the groundwater basin. Flood control and water conservation are integral to effective water resources management. Liability arising from the groundwater replenishment process threatens to restrict and jeopardize the sustainability of the local water supply.

### **Emancipated Foster Youth**

We will pursue County-sponsored legislation to provide enhanced services and financial support to emancipated foster youth between the ages of 18 and 21 years.

On January 9, 2007, the Board instructed the Director of the Department of Children and Family Services (DCFS), the Chief Probation Office and the Chief Executive Officer to work with the State legislative delegation, the County Welfare Directors (CWDA) and the California Youth Connection to sponsor legislation in the 2007-08 State Legislative Session to provide enhanced services and financial support to emancipated foster youth between the ages of 18 and 21 years.

County-sponsored AB 713 (Maze) was introduced on February 22, 2007. This measure is a two-year bill which cites legislative intent to provide enhanced services and financial support to emancipated foster youth. Our Sacramento advocates are working with DCFS, CWDA and others to develop specific proposals which will be amended into AB 713, or introduced in a new bill also authored by Assembly Member Maze, in early 2008.

### **Promote Adoptions for Children in Foster Family Agencies**

We will pursue County-sponsored legislation to allow Foster Family Agency (FFA) families who seek to adopt children in their care to receive a special Adoption Assistance Payment (AAP).

Approximately 30 percent of children in foster care are placed in FFA certified homes despite the fact that FFAs are usually reserved for children with special needs. However, there are circumstances in which children are placed with FFAs to keep a larger sibling group together or because the public child welfare agency needs a home for an older child. If the child does not have any special needs when the child is placed for adoption with the FFA foster parent, the AAP payment rate for these children is the equivalent to the State foster care basic rate. This is less than the foster care rate that

the FFA family is receiving. Many FFA families feel that they cannot afford the rate reduction if they adopt. Therefore, while these providers may want to adopt a child in their care, they do not pursue adoption because it would result in a decrease in their financial assistance. This legislation would reduce placement and increase adoptions for older children in sibling groups who are typically hard-to-place.

### **Funding of Local and Regional Watershed Projects**

We will pursue County-sponsored legislation to allow counties, flood control districts, and other public agencies to implement storm water fees, upon voter approval and/or consistent with the requirements of Proposition 218, to fund clean water programs.

Storm water and urban water runoff drain into the flood control system, waterways, and ultimately into the ocean with virtually no treatment. The runoff deposits trash, bacteria, and other pollutants into these waters negatively impacting the economy of our communities and the vitality of Los Angeles County's environment. The County, the City of Los Angeles, and other cities within the County are seeking to construct local and regional watershed management projects that can remove pollutants from runoff and also provide other benefits such as water reuse and storage, recreation opportunities, flood control, open space and habitat restoration which are essential to ensure a healthy environment for our residents. (Board actions of September 13, 2005 and August 7, 2007)

### **Full CD4 AIDS Reporting**

We will pursue County-sponsored legislation to require full CD4 AIDS reporting.

County-sponsored SB 699 (Soto), which was signed by the Governor on April 17, 2006, replaced the State's code-based HIV reporting scheme with a name-based system. This was necessary because the allocation of Ryan White CARE Act funds is to be based on the number of HIV cases beginning in FY 2007, and the Centers for Disease Control and Prevention (CDC) indicated that they would accept only those cases reported by name for this purpose. The State Department of Finance estimated that failure to convert to a name-based reporting system would have resulted in an annual State loss of at least \$50 million. However, while California's name-based reporting system is being developed, additional cases can be reported based on a routine laboratory procedure for AIDS called the CD4 test, which will be accepted by the CDC for funding purposes.

Because California's name-based HIV reporting system is currently in implementation, the State will not receive its share of Federal funding unless it increases HIV/AIDS case reports. A test for CD4 cells is a routine laboratory test for HIV/AIDS cases and is currently reported to the State only on a voluntary basis. CDC recommends full

reporting of all CD4 tests. CD4 cells are key components of the immune system that are destroyed by HIV. A CD4 test result of 200 cells, about a fifth of the normal amount, would qualify an HIV infected individual as an AIDS case according to CDC's case definition. California is one of only four states that does not require some form of CD4 reporting. The State Office of AIDS has been unable to implement this requirement through regulation.

### **Electronic Filing of Statement of Economic Interests (Form 700)**

We will pursue co-sponsored legislation with one or more other counties to authorize a three-year pilot in which filers of Form 700 would be permitted, on a voluntary basis, to file their Statement of Economic Interests electronically using a safe and secure system.

The Political Reform Act of 1974 requires the Executive Officer, and other department heads who act as filing officers for the Statement of Economic Interests (Form 700), to distribute paper copies of the Form 700 to public officials who are required to complete the form. The filing officers then receive, manually process, and store thousands of lengthy paper copies of the form, a cumbersome and expensive procedure. Existing law is silent with regard to whether filing officers may permit filers to complete and file their forms electronically. (Board Motion, December 4, 2007)

### **Continued Advocacy on State Budget Issues and Legislative Proposals**

We will continue to pursue advocacy on the following State Budget related issues and legislative proposals consistent with County policies and positions. State Budget issues include the restoration of funding for the Integrated Services for Homeless Adults with Serious Mental Illness (AB 2034) Program, full and timely reimbursement of the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program costs, funding for Proposition 36 (the Substance Abuse and Crime Prevention Act of 2000), Adult Protective Services, and Full Restoration of Human Services Programs. Legislative proposals, exclusive of the Legislative Extraordinary Sessions, include ensuring that the transfer of trial court facilities to the State is accomplished in an efficient and fiscally neutral manner, maintenance of the Emergency Alert System, and maximizing County funding opportunities from the 2006 Infrastructure Bonds.

### **State Budget Issues**

#### **Integrated Services for Homeless Adults with Serious Mental Illness (AB 2034) Program**

We will pursue support for the restoration of funding for mental health services for the mentally ill for prevention and intervention services to divert individuals who are homeless or at risk of homelessness from the criminal justice system.

The Integrated Services for Homeless Adults with Serious Mental Illness Program, established by AB 2034 (Steinberg) of 2000, continued and expanded the successful community mental health programs in Sacramento, Los Angeles and Stanislaus counties created under AB 34 (Steinberg) of 1999. As part of the FY 2007-08 State Budget process, the Governor eliminated all AB 2034 program funding (\$54.9 million), and indicated in his veto message that the reduction was necessary to limit program expansions and to help bring ongoing expenditures in line with existing resources.

In addition, the Governor stated that to the extent counties find the AB 2034 program beneficial and cost effective, the program can be restructured to meet the needs of each county with other funding resources, such as Federal, Realignment, or Mental Health Services Act (MHSA) funds. However, MHSA explicitly prohibits use of these funds to supplant funding for existing programs and the expenditure of funds allocated to counties is decided through the local community stakeholders' process. According to the County Department of Mental Health, the elimination of this program resulted in a \$17 million loss of revenue and the discontinuation of intensive mental health services to over 1,700 adults with severe mental illness.

In early September 2007, the State Department of Mental Health released \$64 million in unspent, one-time, MHSA administrative funds to help further expand mental health services at the local level, however, these funds cannot be used to backfill or supplant funding for existing programs.

### **Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program**

We will pursue support for full and timely reimbursement of the Federally-mandated EPSDT program which provides mental health services to Medi-Cal beneficiaries under the age of 21.

The EPSDT program requires states to provide a broad range of mental health services including family therapy, crisis intervention, medication monitoring, behavioral management, multi-disciplinary approaches and training, community treatment facilities, coordination of transitional youth services, and school-based mental health services.

County mental health programs are responsible for the management and delivery of EPSDT mental health services to children. For a variety of reasons, counties were not reimbursed for services provided, and the State opted to reimburse counties over a three year period for services provided prior to FY 2005-06. The County recently received the first installment of the three year repayment, but it is still owed an estimated \$85.2 million for prior year claims which will not be paid until FY 2008-09 and FY 2009-10. The amount owed to the County is for services which have already been provided and paid for out of the County General Fund.

### **Proposition 36 -- Substance Abuse and Crime Prevention Act of 2000**

We will pursue support for additional State funding to operate the programs mandated by Proposition 36.

The Substance Abuse and Crime Prevention Act, also known as Proposition 36, allows first-time drug offenders to seek substance abuse treatment in lieu of incarceration. The initiative provided for a five-year funding appropriation of \$120 million annually which ended in 2005. The FY 2006-07 Budget Act appropriated \$38 million to Los Angeles County for this program. The FY 2007-08 Budget Act appropriates \$30 million to the County. The \$8.0 million loss is attributed to a \$5.0 million reduction to the Proposition 36 base program and an estimated \$3.0 million decrease to the Offender Treatment Program. The level of funding for Proposition 36 programs, with the exception of FY 2006-07, has remained flat. The annual funding level does not take into account increases in staffing, treatment costs, and caseload that have occurred throughout the term of the program. The County currently has a waiting list of clients seeking to participate in Proposition 36 treatment programs.

### **Adult Protective Services**

We will pursue support for increased State funding for the Adult Protective Services (APS) Program to increase investigation of reports of abuse and neglect, and to provide appropriate and comprehensive services for dependent adults and abused and neglected elders.

APS is a State-mandated program, which provides investigation, crisis intervention and short-term case management services on behalf of elders and dependent adults who are victims of physical or financial abuse, neglect, abandonment, isolation, or who are unable to protect their own interests. Funding for the APS Program has remained at \$50 million since 1999 despite increased reports of elder and dependent adult abuse, steadily increasing caseloads, and an elderly population that is expected to increase dramatically over the next few years. The Legislature appropriated an additional \$12 million during the last session, but the augmentation was vetoed by the Governor. The County Welfare Directors Association estimates the statewide need to be \$105 million, annually.

### **Full Restoration of Human Services Programs**

We will pursue support to restore the State process of budgeting human services programs based on reasonable costs in order to adequately fund cost of doing business adjustments for counties.

Since June 2001, the State has not granted any cost of doing business adjustments for counties to administer various mandated human services programs on behalf of the State. These programs include: Adoptions, Adult Protective Services, CalWORKs, Child Welfare Services, Food Stamps Administration, Foster Care Eligibility, and In-Home Supportive Services. As a result, responsibility for cost increases for salaries, health benefits, workers compensation, leases, utilities, and other related costs have been shifted to counties.

According to an estimate prepared by the California State Association of Counties, California Welfare Directors Association, and the Urban Counties Caucus during the first year of the Legislative Session, the State's failure to fund cost of doing business adjustments has shifted an estimated \$793 million per year to counties. Based on that amount, the estimated impact on the County is approximately \$238 million annually. In addition, Budget Trailer Bill AB 1808 (Chapter 75, Statutes of 2006) required the State Department of Social Services to estimate the actual costs incurred by counties for the administration of these programs on behalf of the State. As part of the 2007-08 May Budget Revision, the Administration released the results of the county survey which indicated that the State has not funded an estimated \$835.8 million annually for the administration of these programs.

Over the past six years, counties have been put in the difficult position of either backfilling the gap with county resources or reducing critical services in other areas to make up the difference in unfunded costs. In addition, the lack of adequate funding has strained the ability of counties to meet accountability standards which put the State and counties at risk of having to pay Federal penalties for some of these programs.

## **Legislative Proposals**

### **Transfer of Trial Court Facilities**

We will support legislative measures to set a new deadline of December 31, 2008 to promote the transfer of trial court facilities to the State in an efficient and fiscally neutral manner. The current deadline expired on June 30, 2007. Additional time is necessary for most counties to complete the transfer of county facilities to the State.

Current law, established by SB 1732 (Escutia) in 2002, authorizes and encourages the transfer of responsibility for trial court facilities from counties to the State Judicial Council. Facility transfers are to be negotiated on a building-by-building basis, resulting in agreements that govern the transfer of each facility. Each transfer carries an annual maintenance-of-effort payment from counties to the State to offset the transferred costs of facility operations. This payment, which is called the court facilities payment, is calculated for each facility and agreed upon between the county and the Judicial Council prior to the transfer of responsibility to the State. Generally, the payment is



based on a five-year average of expenditures by the county for facility operation and maintenance from 1995-1996 to 1999-2000, and is adjusted for inflation.

In Los Angeles County, advocates supported passage of SB 145 (Corbett) and AB 1491 (Benoit) which would have extended the deadline for the transfer of trial court facilities from June 30, 2007 to December 31, 2008. Both bills were caught up in legislative leadership disputes and failed passage, which effectively ended the authority to transfer trial court facilities on June 30, 2007.

### **Maintenance of the Emergency Alert System**

We will support legislation to provide for the maintenance of the Emergency Alert System (EAS). Effective January 1, 2007, AB 2987 (Nuñez and Levine), the Digital Infrastructure and Video Competition Act (DIVCA), established a new framework for the regulation of cable television in California by removing the authority of local governments to grant franchises to video providers. As of January 1, 2008, only the Public Utilities Commission will have the authority to grant such franchises.

One critical area of concern that affects local government is the ability to ensure that the EAS provision is not allowed to sunset on January 1, 2009 or otherwise be removed. The need to ensure the ability of jurisdictions to override video signals with EAS messages is critical in Los Angeles County. EAS can be utilized to advise the public of evacuations and provide other valuable information during local emergencies and other events requiring such notification.

### **2006 Infrastructure Bonds**

We will support legislation that targets infrastructure funding to the highest priority need in urban areas and establishes eligibility criteria and guidelines for the distribution of funds that will maximize County opportunities for State funding.

The County will continue to seek allocation formulas that rely on previous bond acts where appropriate; targeted infrastructure funding to the highest priority need in urban areas; expansion of recreational facilities in underserved urban park areas; guidelines that are favorable to the expansion of affordable housing within an urban environment; allocation of certain transportation funding based on population; simplification of the Integrated Regional Water Management grant process; adoption of guidelines for competitive grants that include realistic timeframes for eligible project submission and the expenditure of allocated program funding; expanded eligibility for various funding; and multi-departmental projects under various provisions of Proposition 84, the Clean Water, Parks and Coastal Protection Act.

Most of the FY 2007-08 State Budget allocations are first year appropriations of multi-year program funds. Funding for Proposition 84, for example, was nearly devoid of earmarks, and consisted primarily of appropriations to State agencies. As a result, a number of State agencies have scheduled grant workshops with stakeholders to discuss program scope and objectives, solicit public comment on the development of guidelines, answer questions related to the process, and review preliminary program schedules. County departments can use these workshops to work with the State agencies in an effort to advocate for favorable effective eligibility criteria and guidelines to enhance the likelihood of State funding. Additional legislation affecting eligibility criteria and allocation formulas will be considered in the second year of the Legislative Session.

If you have any questions or would like additional information, please contact Marshall Langberg at (213) 974-1114.

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